VZCZCXRO6290 PP RUEHBI RUEHCI DE RUEHKT #0797/01 1961059 ZNR UUUUU ZZH P 141059Z JUL 08 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC PRIORITY 8849 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 6573 RUEHLM/AMEMBASSY COLOMBO PRIORITY 6884 RUEHKA/AMEMBASSY DHAKA PRIORITY 2183 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4924 RUEHLO/AMEMBASSY LONDON PRIORITY 6143 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 2540 RUEHCI/AMCONSUL KOLKATA PRIORITY 4256 RUEHBI/AMCONSUL MUMBAI PRIORITY 3929 RHEHNSC/NSC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHMFIUU/CDR USPACOM HONOLULU HI PRIORITY

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SUBJECT: MADHESI PARTIES WIN A MAJOR ROLE IN NEPAL'S

CONSTITUENT ASSEMBLY

REF: A. KATHMANDU 742

**B. KATHMANDU 785

Summary

11. (U) For the first time in Nepal's democratic history, Madhesi parties won a significant percentage of seats in the April 10 Constituent Assembly (CA) election. When appointed seats are factored in, the three leading Madhesi parties, including the largest -- the Madhesi People's Rights Forum -- collectively control 13.7 percent of the seats in the 601-member Assembly. Nepal Sadbhavana Party (Anandidevi), a minor Madhesi party, adds another 0.5 percent. Nepal's three major parties -- the Maoists, the Nepali Congress and the Communist Party of Nepal - United Marxist Leninist -- in part because of the quota for Madhesis in the proportional election, also have a considerable number of Madhesi Members of Parliament. Altogether Madhesis won 144 seats in the CA.

Madhesi Electoral Breakthrough

12. (U) Although Nepal has conducted four general elections since 1990, including in 1991, 1994 and 1999, the April 10, 2008 Constituent Assembly (CA) election was the first time that Madhesi parties won a significant percentage of seats in the Parliament. Nepal's Madhesi population is variously estimated at 15 to 20 percent, but Madhesi votes in past elections mostly went to national parties, primarily the Nepali Congress. The only significant Madhesi party in previous elections was the Nepal Sadbhavana ("Good Will") Party (NSP), established in 1990, which was permitted to register in spite of a restriction in the 1990 Constitution on regional parties. (The party, which was the successor of a civic organization founded in 1985, purposely took a non-parochial name.) In 1991, 1994 and 1999, the NSP won 4.1, 3.5 and 3.2 percent, respectively, of the votes. This translated in the first-past-the-post system used in the election of the then House of Representatives to 2.9, 1.5 and 2.4 percent, respectively, of the seats. In contrast, in the CA election, the four Madhesi parties collectively won 14.2 percent of the seats when appointed positions are factored in.

Nepal's Three Major Madhesi Parties

(U) Three Madhesi parties -- the Madhesi People's Rights Forum (MPRF), the Terai Madhes Democratic Party (TMDP) and the Sadbhavana Party (SP) -- have the dominant role in the 601-member Assembly. They placed fourth, fifth and sixth, respectively in the election, immediately after the Communist Party of Nepal-Maoist (CPN-M), the Nepali Congress (NC) and the Communist Party of Nepal - United Marxist Leninist (UML). In early February 2008, the three parties formed a coalition called the United Democratic Madhesi Front (UDMF), which enforced a transportation closure in the Nepal's border region with India (the Terai) for two weeks. On February 28, Prime Minister Koirala and the UDMF signed an 8-point agreement, which, among other things, accepted the Madhesi demands for an autonomous state (without defining its boundaries) and group entry of Madhesis into the Nepal Army. The agreement also paved the way for the three parties to participate in the election. The Front subsequently broke down when the three parties proved unable to agree on common candidate lists.

Madhesi People's Rights Forum

14. (U) The Madhesi People's Rights Forum (MPRF), also known as the Madhesi Janaadhikar Forum, was founded in 1998 as a civic organization by Upendra Yadav, a teacher, who was associated first with the UML and then the Maoists. The MPRF came to prominence in early 2007 when it led the so-called "Madhesi Uprising" to demand Madhesi rights. Yadav registered the MPRF as a party in June 2007. By far the most popular of the Madhesi parties, MPRF won 50 seats in April's

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election: 28 in first-past-the-post (FPTP) races and 22 in the proportional representation (PR) contest. (Note: One of those FPTP seats is the subject of litigation in the CA Court. End note.) The cabinet on July 4 approved an additional 2 seats for the party from the 26 appointed seats, bringing the MPRF's total number of Members of Parliament (MPs) to 52 or 8.7 percent. Yadav won both of the races he contested -- in Morang-5 and Sunsari-5; he has chosen to keep the Sunsari-5 seat and the holder of the Morang-5 seat will be determined in an upcoming by-election.

Terai Madhes Democratic Party

15. (U) The Terai Madhes Democratic Party (TMDP) was formed in December 2007 by a group of Terai politicians, led by Mahanta Thakur, an NC minister and senior leader, who left their respective parties (including the NC, UML and Rastriya Prajatantra Party) in frustration to form a new Madhesi-based party. TMDP won a total of 20 seats; nine of these seats were won in FPTP races and 11 were captured in the PR contest. TMDP also received one of the CA's appointed seats, which it used to appoint Thakur, who lost his FPTP race to an MPRF candidate. This brought its total number of MPs up to 21 or 3.5 percent.

Sadbhavana Party and NSP-A

16. (U) The Sadbhavana Party (SP) was formed in September 2007 by Rajendra Mahato, the then Minister of Industry and Commerce, after a split with the established Nepal Sadbhavana Party-Anandidevi (NSP-A) over the NSP-A's leadership. (Note: NSP-A came into being in 2005 when the NSP's main faction agreed to support the King's direct rule. End note.) While NSP-A currently holds the seat in the governing Seven-Party Alliance, SP has a much more prominent presence in the CA. It captured a total of 9 seats in the election, or 1.5 percent. Of these, 4 were won in FPTP races and 5 were won in the PR contest. SP's president, Mahato, is a CA member from Sarlahi-4. NSP-A managed to capture only two seats in the election, both on the PR ballot. It also received an appointed seat, which went to Minister of Commerce and

Industry Shyam Sundar Gupta. Its three seats give NSP-A a 0.5 percent share in the Assembly.

Madhesis Across Parties

17. (U) A number of Madhesis were also elected to the CA as candidates of other parties. Under the quota system in the PR race, parties which submitted PR candidate lists of more than 100 candidates were required to assign at least 31.2 percent of the PR candidacies to Madhesis. They were also required to fill the same percentage of the PR seats that they won with Madhesis. Thus, CPN(M) chose 16 Madhesi candidates for PR seats, the NC chose 12, the Communist Party of Nepal - United Marxist-Leninist (CPN-UML) chose 10 and five minor parties chose a total of seven more. Many parties also ran Madhesis in FPTP races, where no quota system was in place. Six CPN(M) and six NC Madhesi candidates and one CPN(UML) Madhesi candidate won seats in FPTP contests. One independent Madhesi candidate also won a FPTP seat. Between Madhesi and non-Madhesi parties, Madhesis won a total of 144 seats in the Assembly. Of these, fewer than 17 percent have ever served before in Parliament. (Note: Post considers all MPs elected by one of the four Madhesi parties to be Madhesi.)

A Note on the Term "Madhesi"

18. (U) The term "Madhesi" was originally used to refer to inhabitants of Nepal's plains area, known as the Terai, distinguishing them from the country's hill residents, who are called "pahadis." Thus, the term could be used to refer to all Terai inhabitants, including the Terai's various indigenous nationalities (such as the Tharus), as well as to Muslims and dalits. However, in recent decades the term has become the focus of anti-Indian sentiment, and has therefore

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increasingly been used to refer only to the Indian-origin inhabitants of the area -- who are consider to have more in common culturally with northern India than with the rest of Nepal and who have long been excluded from Nepali politics. Some Tharus, Muslims, and dalits, such as MPRF MP Bijay Gachchhadar, who is Tharu, considered themselves to be Madhesis, but many increasingly do not.

Comment

19. (U) Nepal's three largest Madhesi parties did not even exist at the time of the last general election. Born out of the politics of protest, the Madhesi People's Rights Forum in particular is struggling to come to terms with its new role as a major, elected political force. For nearly two weeks, beginning on July 26, the MPRF and its allies disrupted the CA's proceedings to compel the Maoists, the NC and the UML to include the key provisions from the February 28 agreement in a planned constitutional amendment. In remarks to the Assembly on July 9, MPRF chief Upendra Yadav implicitly acknowledged defeat. The bill tabled by the Government that day and subsequently approved on July 13 (septel) did not give the Madhesi parties the "One Madhes, One Pradesh (province)" which had been one of their key demands. Yadav said that the Madhesi parties had decided they could no longer prevent adoption of a new budget, which was due by July 15. Instead, he announced that they would boycott the vote on the amendment, and they did. One of the biggest challenges for the country going forward will be to find compromises that take Madhesi concerns into account while allowing the Constituent Assembly to do its business. **BERRY**